



DEFERRED COMPENSATION ADVISORY COMMITTEE
MINUTES
THURSDAY, FEBRUARY 22, 2007

Chair Pascal Roubineau called the Deferred Compensation Advisory Committee meeting to order at 9:05 a.m. on Thursday, February 22, 2007, City Hall Tower, T-1446.

Roll Call

Pascal Roubineau, Chair	Employees' Representative
Trish Glassey	Employees' Representative
Julia Cooper	Manager's Representative
Jeff Ricketts	Police Representative

Excused Absence

Peter Jensen, Vice Chair	Manager's Representative
Donna Busse	Management Employees' Representative
Mark Skeen	Firefighter Representative

Also Present

Dorothy Atchison	Deferred Compensation, Program Manager
Stephanie Padilla	Deferred Compensation, Staff
Jay Castellano	Human Resources, Benefits Manager
David DeLong	Human Resources, Acting Benefits Manager
Mollie Dent	Attorney
Bill Tugaw	Consultant, SST Benefits
Chuck Sklader	Consultant, SST Benefits
Adora Gailo	Finance, Accounting
Gary Bozin	ING
Peter Belardinelli	ING
Bishop Bastien	ING
Sue Koscis	ING
Bruce DeMers	Police & Fire Retirees

APPROVAL OF MINUTES

1. January 25, 2007

M.S.C (Ricketts/Roubineau) to defer to March 29, 2007, DCAC Meeting

OLD BUSINESS

2. City Manager's Representative Appointee to Replace Scott Johnson

Julia Cooper, Deputy Director, Finance Department – Treasury Division, appointed by the City Manager to replace Scott Johnson, Director, Finance Department, on the DCAC effective February. City Manager's memo to DCAC dated January 22, 2007, received and acknowledged; no action required.

3. Approve Implementing a Loan Provision in the 457 Voluntary Plan and Directing Staff to Communicate with Stakeholders

ING representatives Sue Koscis and Gary Bozin presented information addressing the Committee's questions regarding loan program decision points and administration. The presentation included discussions about amortization schedules, repayment processes, loan repayment grace periods, interest monitoring and accruals, leave of absence administration, loan repayment after retirement, and sample applications/loan statements/reports. The presentation also included clarifications about commercially recognized interest rates, loan repayment provisions for activated military reservists, participant fund withdrawal sequences, and taxable events pertaining to deemed distributions after loan default.

Following the presentation, the Committee reviewed the loan provision decision point list to identify actions for establishing the Plan's loan program.

A member of the public requested that the DCAC consider the possibility of allowing loan repayment after retirement through pension system payroll deductions.

Staff noted that future administration of the loan provisions would require further review as the provisions are implemented and administered to determine if adequate resources are available to address increased workload volume for staff.

M.S.C. (Ricketts/Roubineau) to approve the following decision point actions taken by DCAC consensus:

Loan Provision Decision Points	Action Taken
Type(s) of loans: residential and/or general	Provide 1 residential and 1 general loan
Number of loans outstanding at any time	Not to exceed 2
Minimum loan amount	\$1,000
Loan interest rate	Moody's US Long Term Corporate Bond rate
Maximum loan repayment period	Residential: 240 Months; General: 60 Months
Loan repayment frequency	Bi-weekly payroll deductions
Money source withdrawal sequence	Withdrawal Sequence: 1) Employee deferrals; 2) Roll-over funds from other 457 plans; 3) Rollovers from other non-457 DC plans.
Spousal consent requirement	Yes
Loan authorization responsibility	ING
Loan request notification	At time of loan approval
Loan monitoring responsibility	ING
Loan origination fee payment responsibility	Participant

ING Action: To provide 5-year interest rate history at next DCAC meeting comparing the Wall Street Journal Prime Rate and Moody's US Long Term Corporate Bond Rate

4. Discussion and Direction to Staff for Outreach/Education to Employees for Implementing a Loan Provision in the 457 Voluntary Plan

Discussion about how to communicate the adoption of the decision point action items summarized in item 3 and the loan program's availability, in general.

Staff Action: 1) Dave DeLong will educate the City Labor Alliance about the loan provision decisions adopted by the DCAC, solicit feedback, and report back to the Committee; 2) Susan Devencenzi will draft a change to the plan document to include the adopted loan provisions; 3) staff will communicate the loan provisions to participants in flyer format once the administrative process is more defined; and, 4) staff will coordinate educational meetings for participants just prior to the loan program roll-out.

NEW BUSINESS

5. Deferred Compensation Financial Report for 2nd Quarter FY 06-05, 10/01/06 through 12/31/06

M.S.C. (Ricketts/Roubineau) to defer to March 29, 2007, DCAC Meeting

6. Staff Approved Hardship Withdrawal Report

M.S.C. (Ricketts/Roubineau) to defer to March 29, 2007, DCAC Meeting

7. Review and Approve 2007-08 Budget

Dave DeLong reviewed the proposed 2007-08 budget.

M.S.C. (Ricketts/Roubineau) to approve the proposed 2007-08 budget.

8. Approve Moving the March 22, 2007 DCAC to Thursday, March 29, 2007, City Hall, Council Wing, W-120, 9:00am

M.S.C. (Glassey/Roubineau/Cooper) / **Noes** (Ricketts) to approve moving the March 22, 2007, DCAC meeting to Thursday, March 29, 2007, City Hall, Council Wing, W-120, 9:00am.

9. Nomination and Selection of Chair and Vice Chair for Period 04/01/07 – 03/31/08

M.S.C. (Ricketts/Glassey) to approve the nomination and selection of Pascal Roubineau and Peter Jensen as the Deferred Compensation Advisory Committee Chair and Vice-Chair, respectively, for a period of 04/01/07 – 03/31/08.

10. ING Calendar Year 2006 Report

M.S.C. (Ricketts/Roubineau) to defer to March 29, 2007, DCAC Meeting

SUBCOMMITTEE REPORTS/RECOMMENDATIONS11. Legislative Activities

M.S.C. (Ricketts/Roubineau) to defer to March 29, 2007, DCAC Meeting

12. Ad Hoc Investment Subcommittee

M.S.C. (Ricketts/Roubineau) to defer to March 29, 2007, DCAC Meeting

Subcommittee Members: Donna Busse, Julia Cooper and Jeff Ricketts

13. Ad-hoc Subcommittee for the DCAC Retreat

M.S.C. (Ricketts/Roubineau) to defer to March 29, 2007, DCAC Meeting

Subcommittee Members: Pascal Roubineau, Trish Glassey and Mark Skeen.

INFORMATIONAL ITEMS14. ING Service Log for January 2007

M.S.C. (Ricketts/Roubineau) to defer to March 29, 2007, DCAC Meeting

15. Next Meeting: March 29, 2007 City Hall Council Wing, W-120, 9:00 a.m.

PUBLIC COMMENTS**UNFORESEEABLE EMERGENCY WITHDRAWAL**

16. None

MEETING ADJOURNED

M.S.C. (Ricketts/Glassey) to adjourn the meeting at 11:00 a.m.

Pascal Roubineau, Chair
Deferred Compensation Committee

ATTEST:

David DeLong, Staff
Deferred Compensation

NOTE: M.S.C. MEANS MOTION SECONDED AND CARRIED, UNLESS OTHERWISE INDICATED, MOTION PASSED UNANIMOUSLY.